Notice: This document is a translated excerpt of the original Japanese document and is only for reference purposes. The original Japanese document prevails should there be a discrepancy between it and this translated document.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2026 (Based on Japanese GAAP)

November 5, 2026

Company name ZACROS Corporation
Stock exchange listing Tokyo
Stock Code 7917 URL https://www.zacros.co.jp/en
Representative President Taku Shimoda
Inquiries Director and Senior Executive Officer in Charge of Administration Michihiko Sato Tel. 81-3-5804-4221
Scheduled date to file semiannual securities report November 11, 2026
Scheduled date to commence dividend payments November 24, 2026
Supplementary explanatory materials for financial results: Yes
Financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026, to September 30, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2026	85,529	9.2	6,552	17.7	6,700	10.2	4,580	17.7
Six months ended September 30, 2025	78,329	3.8	5,567	(1.0)	6,080	4.1	3,892	7.5

Note: Comprehensive income Six months ended September 30, 2026 ¥5,698 million(71.2%)
Six months ended September 30, 2025 ¥3,328 million (-42.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2026	63.97	63.45
Six months ended September 30, 2025	53.17	52.67

Note: The Company conducted a stock split at a ratio of four shares for each common share, effective October 1, 2025. Earnings per share and diluted earnings per share for the previous fiscal year have been calculated as if this stock split had been implemented at the beginning of that fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2026	162,304	108,359	60.7	1,376.05
Year ended March 31, 2026	156,791	104,339	60.5	1,324.14

Note: Equity As of September 30, 2026 ¥98,587 million
As of March 31, 2026 ¥94,846 million

2. Cash dividends

	Annual dividends				
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	—	72.00	—	18.00	—
Year ended March 31, 2027	—	20.00			
Year ending March 31, 2027 (forecast)			—	20.00	40.00

Notes:
1. Revision to the most recently announced dividend forecast: Yes
2. The Company conducted a stock split at a ratio of four shares for each common share, with a record date of September 30, 2025, and an effective date of October 1, 2025. The dividend per share as of the end of the second quarter for the fiscal year ended March 31, 2026, shown above, reflects the actual dividend amount paid prior to the stock split. The total annual dividend per share for the fiscal year ended March 31, 2026, is not stated because the stock split does not allow the simple addition of the dividends for the end of the second quarter and for the year-end. Taking the stock split into account, the dividend per share as of the end of the second quarter of the fiscal year ended March 31, 2026, would be ¥18.00, and the total annual dividend per share would be ¥36.00.

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026, to March 31, 2027)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	169,000	6.6	12,500	13.1	12,600	2.4	7,100	(7.9)	99.13

Note: Revisions to the financial forecast from the most recent public announcement: Yes

Notes to Financial Statements:

(1) Significant changes in the scope of consolidation during the interim consolidated period: Yes

Newly included: One company

Company name: ZACROS INDIA PVT. LTD.

(2) Application of accounting procedures specific to preparation of interim consolidated financial statements None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior-period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations None

b. Changes in accounting policies due to other reasons None

c. Changes in accounting estimates None

d. Restatement of prior-period financial statements after error corrections None

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	77,071,040	As of March 31, 2026	77,071,040

b. Number of treasury shares at the end of the period

As of September 30, 2026	5,425,870	As of March 31, 2026	5,442,270

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	71,603,062	Six months ended September 30, 2025	73,209,449

Note: The Company conducted a stock split at a ratio of four shares for each common share, effective October 1, 2025. The average number of shares during the period has been calculated as if this stock split had been implemented at the beginning of the previous fiscal year.

This financial results report for the second quarter (interim period) is not subject to review by certified public accountants or an audit corporation.

Notes on appropriate use of earnings forecasts and other special items

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company, however, makes no guarantee that these forecasts will be achieved. Actual business and other results may differ substantially because of various factors. For more information on assumptions for the financial results forecasts and on the use of the forecasts, please refer to “(4) Forward-looking information, including consolidated financial forecasts,” in “1. Review of Operating Results and Financial Statements” on page 4 of the attached document.

Contents of Attached Documents

1. Review of Operating Results and Financial Statements 2

(1) Overview of business performance 2

(2) Overview of financial position 3

(3) Overview of cash flows 3

(4) Forward-looking information, including consolidated financial forecasts 4

2. Interim Consolidated Financial Statements and Significant Notes Thereto 5

(1) Interim consolidated balance sheets 5

(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income 7

Interim consolidated statements of income 7

Interim consolidated statements of comprehensive income 8

(3) Interim consolidated statements of cash flows 9

(4) Notes to the interim consolidated financial statements 10

Notes on assumptions of going concern 10

Notes on significant changes in the amount of shareholders' equity 10

Notes on significant changes in the scope of consolidation during the interim period 10

Segment information 10

1. Review of Operating Results and Financial Statements

(1) Overview of business performance

During the first half of the fiscal year under review, the Electronic Materials and Environmental Solutions businesses achieved substantial sales growth, and the Industrial Infrastructure and Wellness businesses also secured higher sales. As a result, the ZACROS Group's consolidated net sales increased year on year.

In terms of profit, although there were factors that reduced profit, such as higher energy and transportation costs, personnel costs, and depreciation expenses, the Group promoted price pass-through and improved production efficiency in response to sharp increases in raw material prices, among other measures. As a result, profit increased year on year.

For the first half of the consolidated fiscal period under review, net sales amounted to ¥85,529 million (up 9.2% year on year); operating income was ¥6,552 million (up 17.7%); ordinary income was ¥6,700 million (up 10.2%); and net income attributable to owners of parent was ¥4,580 million (up 17.7%).

The performances of the ZACROS Group's business segments were as follows:

Wellness

Sales of single-use bags for biopharmaceutical manufacturing (BioPhaS®) decreased substantially because of a temporary change in demand at a key customer. However, sales of pharmaceutical and medical packaging materials were strong in both Japan and overseas, and the Wellness business recorded higher revenue overall. Segment profitability also increased overall, reflecting the effect of higher sales, among other factors. Net sales were ¥13,979 million (up 1.5% year on year), and operating income was ¥46 million (compared with an operating loss of ¥7 million in the same period of the previous fiscal year).

Environmental Solutions

Sales increased across all product categories, including refill packaging, other flexible packaging, office automation (OA) equipment–related packaging, and liquid containers, resulting in higher revenue for the business overall. Segment profitability likewise increased overall, reflecting higher sales and other factors. Net sales rose 11.3%, to ¥18,389 million, and operating income increased 127.8%, to ¥1,737 million.

Electronic Materials

Display-related sales of protective film increased. Electronic component and related product sales of interlayer insulating film also increased substantially, driven by growth in the semiconductor market, mainly for AI-related applications. This resulted in higher revenue for the business overall. Segment profitability also increased overall, as the substantial sales growth in electronic component and related products more than offset lower profitability in display-related products. Net sales rose 16.1%, to ¥31,912 million, and operating income increased 14.9%, to ¥2,413 million.

Industrial Infrastructure

Building material sales of housing complex floor construction void slabs and of civil engineering materials increased. Chemical sales of containers, molded products, and packaging materials were also strong. The segment's net sales thus increased, and the business overall recorded higher revenue. Net sales rose 3.4%, to ¥21,248 million, whereas operating income decreased 13.1%, to ¥2,355 million, because of a change in the composition ratio of net sales.

	Six months ended September 30, 2025		Six months ended September 30, 2026		Year-on-year changes	
	Millions of yen	Percent of net sales	Millions of yen	Percent of net sales	Millions of yen	Percent
Net sales	78,329	100.0	85,529	100.0	7,199	9.2
Wellness	13,770	17.6	13,979	16.4	208	1.5
Environmental Solutions	16,524	21.1	18,389	21.5	1,864	11.3
Electronic Materials	27,485	35.1	31,912	37.3	4,427	16.1
Industrial Infrastructure	20,548	26.2	21,248	24.8	699	3.4
Operating income/loss	5,567	7.1	6,552	7.7	985	17.7
Wellness	(7)	(0.1)	46	0.3	54	—
Environmental Solutions	762	4.6	1,737	9.4	974	127.8
Electronic Materials	2,100	7.6	2,413	7.6	312	14.9
Industrial Infrastructure	2,711	13.2	2,355	11.1	(356)	(13.1)

(2) Overview of financial position

Total assets at the end of the first half under review were ¥162,304 million, an increase of ¥5,512 million from the end of the previous fiscal year, mainly because of increases in trade receivables and cash and deposits.

Liabilities increased ¥1,492 million from the end of the previous fiscal year, to ¥53,944 million. While short-term loans payable decreased, this was mainly due to an increase in accounts payable—trade, as well as an increase in Other under Current liabilities resulting from funds received through a progress payment request for the large-scale growth investment subsidy.

Total net assets were ¥108,359 million, an increase of ¥4,020 million from the previous fiscal year-end, mainly reflecting an increase in retained earnings. The equity ratio was 60.7%.

(3) Overview of cash flows

Cash and cash equivalents on a consolidated basis at the end of the first half under review were ¥16,474 million, an increase of ¥2,179 million from the end of the previous fiscal year.

The status of each category of cash flows and the main factors behind the changes are as follows:

Cash flows from operating activities

Net cash provided by operating activities during the first half under review was ¥7,613 million (compared with ¥4,707 million provided in the same period of the previous fiscal year). This was mainly due to cash inflow factors such as income before income taxes of ¥7,270 million, depreciation of ¥3,598 million, and an increase in trade payables, despite cash outflow factors such as an increase in trade receivables and income taxes paid.

Cash flows from investing activities

Net cash used in investing activities during the first half under review was ¥1,144 million (compared with ¥8,483 million used in the same period of the previous fiscal year). This was mainly due to cash outflow factors such as ¥2,983 million in purchase of property, plant and equipment, despite cash inflow factors such as ¥1,391 million in subsidies received.

Cash flows from financing activities

Net cash used in financing activities during the first half under review was ¥4,393 million (compared with ¥2,864 million used in the same period of the previous fiscal year). This was mainly due to cash outflow factors such as repayment of borrowings and payment of dividends.

(4) Forward-looking information, including consolidated financial forecasts

In terms of net sales, the previous forecast assumed that raw material prices and energy costs would rise sharply against the backdrop of heightened tensions in the Middle East, and it incorporated substantial price pass-through accordingly. In reality, although raw material prices and energy costs rose significantly, the increase is expected to be more moderate than initially assumed. Price pass-through will accordingly be more limited than anticipated, and net sales are expected to fall below the previous forecast.

On the profit side, results are expected to exceed the previous forecast, owing to the sales increase centered on electronic component and related products in the Electronic Materials business, in addition to profit-improvement measures such as improved production efficiency and price pass-through.

In light of the above, the Company has revised its earnings forecast.

The differences between the revised full-year consolidated earnings forecast and the forecast announced on August 6, 2026, are as follows:

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	Millions of yen 176,000	Millions of yen 11,200	Millions of yen 11,500	Millions of yen 6,500	Yen 90.79
Revised forecast (B)	169,000	12,500	12,600	7,100	99.13
Change (B - A)	(7,000)	1,300	1,100	600	—
Change (%)	(4.0%)	11.6%	9.6%	9.2%	—
Reference: Actual for fiscal year ended March 31, 2026	158,535	11,054	12,303	7,707	106.14

The Company regards returning profits to shareholders as one of its most important management issues, and its basic policy is to pay appropriate dividends in line with business results. Under this basic policy, the Company aims to pay stable and continuous dividends with a target payout ratio of 40%.

In line with this policy, the Company has revised the second quarter-end dividend per share from ¥18 to ¥20, an increase of ¥2, and the year-end dividend per share from ¥18 to ¥20, an increase of ¥2.

For details, please refer to the “Notice Regarding Revision to Earnings Forecast, Dividend of Surplus (Interim Dividend), and Revision (Increase) of Year-End Dividend Forecast” dated November 5, 2026.

Note: The forecast figures above are calculated based on information available at this time. Actual results may differ.

2. Interim Consolidated Financial Statements and Significant Notes Thereto

(1) Interim consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	14,844	16,474
Notes and accounts receivable—trade and contract assets	35,406	39,143
Electronically recorded monetary claims	6,300	6,863
Merchandise and finished goods	9,538	9,020
Work in process	2,005	2,498
Raw materials and supplies	6,832	7,673
Other	5,648	4,403
Allowance for doubtful accounts	(56)	(58)
Total current assets	80,518	86,019
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	57,606	61,251
Accumulated depreciation	(31,175)	(31,939)
Buildings and structures, net	26,430	29,311
Machinery, equipment and vehicles	76,250	78,864
Accumulated depreciation	(62,977)	(64,598)
Machinery, equipment and vehicles, net	13,272	14,265
Tools, furniture and fixtures	9,328	9,533
Accumulated depreciation	(8,069)	(8,195)
Tools, furniture and fixtures, net	1,259	1,337
Land	9,594	9,587
Construction in progress	17,564	13,441
Other	3,307	3,446
Accumulated depreciation	(1,387)	(1,570)
Other, net	1,919	1,876
Total property, plant and equipment	70,041	69,820
Intangible assets		
Goodwill	32	—
Other	791	888
Total intangible assets	824	888
Investments and other assets		
Investment securities	2,871	3,404
Deferred tax assets	1,589	1,201
Other	957	983
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	5,406	5,576
Total noncurrent assets	76,273	76,285
Total assets	156,791	162,304

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable—trade	19,273	21,922
Electronically recorded obligations—operating	1,670	1,111
Short-term loans payable	3,266	831
Accounts payable—other	5,498	5,128
Income taxes payable	2,089	2,068
Contract liabilities	896	1,092
Provision for bonuses	1,791	2,008
Provision for directors' bonuses	150	83
Other	3,452	5,168
Total current liabilities	38,087	39,414
Noncurrent liabilities		
Long-term loans payable	7,214	7,218
Deferred tax liabilities	122	136
Net defined benefit liability	4,219	4,362
Provision for directors' retirement benefits	632	636
Lease liabilities	1,846	1,841
Other	327	333
Total noncurrent liabilities	14,364	14,529
Total liabilities	52,452	53,944
Net assets		
Shareholders' equity		
Capital stock	6,600	6,600
Capital surplus	6,590	6,513
Retained earnings	79,900	83,137
Treasury shares	(5,090)	(5,140)
Total shareholders' equity	88,000	91,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,182	1,629
Foreign currency translation adjustment	5,292	5,505
Remeasurements of defined benefit plans	370	340
Total accumulated other comprehensive income	6,845	7,475
Subscription rights to shares	351	240
Noncontrolling interests	9,142	9,532
Total net assets	104,339	108,359
Total liabilities and net assets	156,791	162,304

(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income

Interim consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	78,329	85,529
Cost of sales	60,245	65,687
Gross profit	18,083	19,841
Selling, general and administrative expenses	12,516	13,288
Operating income	5,567	6,552
Nonoperating income		
Interest income	122	82
Dividend income	34	29
Insurance and dividend income	176	64
Foreign exchange gains	141	—
Subsidy income	1	0
Income from recycling	46	51
Other	98	112
Total nonoperating income	621	340
Nonoperating expenses		
Interest expenses	81	147
Foreign exchange loss	—	3
Loss on investments in investment partnerships	8	8
Idle asset maintenance expenses	—	2
Other	17	30
Total nonoperating expenses	108	192
Ordinary income	6,080	6,700
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Insurance income	—	726
Total extraordinary income	0	726
Extraordinary losses		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	48	29
Noncurrent asset removal expenses	—	126
Loss on valuation of investment securities	8	—
Total extraordinary losses	58	156
Income before income taxes	6,022	7,270
Income taxes—current	1,622	1,912
Income taxes—deferred	2	209
Total income taxes	1,625	2,122
Net income	4,397	5,148
Net income attributable to noncontrolling interests	504	567
Net income attributable to owners of parent	3,892	4,580

Interim consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net income	4,397	5,148
Other comprehensive income		
Valuation difference on available-for-sale securities	177	439
Foreign currency translation adjustment	(1,213)	142
Remeasurements of defined benefit plans, net of tax	(33)	(32)
Total other comprehensive income	(1,068)	549
Comprehensive income	3,328	5,698
Comprehensive income attributable to:		
Owners of parent	3,138	5,210
Noncontrolling interests	190	487

(3) Interim consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Income before income taxes	6,022	7,270
Depreciation	3,125	3,598
Amortization of goodwill	31	32
Increase (decrease) in provision for directors' retirement benefits	10	3
Increase (decrease) in provision for bonuses	(87)	216
Increase (decrease) in provision for directors' bonuses	(62)	(67)
Increase (decrease) in allowance for doubtful accounts	(1)	3
Increase (decrease) in net defined benefit liability	46	104
Interest and dividend income	(156)	(111)
Interest expenses	81	147
Insurance income	—	(726)
Noncurrent asset removal expenses	—	126
Loss (gain) on sales and retirement of noncurrent assets	48	29
Valuation losses (gains) on investment securities	8	—
Loss (gain) on investments in investment partnerships	8	8
Share-based compensation expenses	25	33
Decrease (increase) in notes and accounts receivable—trade	(990)	(3,906)
Decrease (increase) in inventories	(625)	(785)
Increase (decrease) in notes and accounts payable—trade	(525)	1,953
Increase (decrease) in accounts payable—other	(2,385)	(214)
Other	748	1,086
Subtotal	5,324	8,805
Interest and dividend income received	156	111
Interest expenses paid	(81)	(136)
Insurance income received	—	726
Income taxes paid	(691)	(1,893)
Net cash provided by (used in) operating activities	4,707	7,613
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	551
Purchases of property, plant and equipment	(9,434)	(2,983)
Proceeds from sales of property, plant and equipment	97	176
Purchases of intangible assets	(251)	(260)
Purchases of investment securities	(70)	(1)
Receipt of subsidies/grants	1,322	1,391
Other	(146)	(19)
Net cash provided by (used in) investing activities	(8,483)	(1,144)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	(2,407)
Proceeds from long-term loans payable	483	—
Repayment of long-term loans payable	(99)	(156)
Repayments to noncontrolling shareholders	(336)	—
Proceeds from sales of treasury shares	—	0
Purchases of treasury shares	(1,579)	(276)
Cash dividends paid	(1,240)	(1,289)
Dividends paid to noncontrolling interests	(66)	(121)
Other	(25)	(142)
Cash flows from financing activities	(2,864)	(4,393)
Effect of exchange rate change on cash and cash equivalents	(693)	0
Net increase (decrease) in cash and cash equivalents	(7,332)	2,075
Cash and cash equivalents at beginning of period	22,481	14,295
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	103
Cash and cash equivalents at end of period	15,149	16,474

(4) Notes to the interim consolidated financial statements

Notes on assumptions of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on significant changes in the scope of consolidation during the interim period

ZACROS INDIA PVT. LTD., which was established in March 2026, is expected to grow in importance as a strategic base in Asia going forward. Accordingly, following the commencement of its operations, the company has been included in the scope of consolidation from the interim consolidated period of the current fiscal year.

Segment information

I. Six months ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

Information on net sales and the amounts of profits or losses per reportable segment

(Millions of yen)

	Reportable segments					Adjusted sales amount (Note 1)	Amount recorded in the interim consolidated statements of income (Note 2)
	Wellness	Environmental Solutions	Electronic Materials	Industrial Infrastructure	Total		
Net sales							
Sales to unaffiliated customers	13,770	16,524	27,485	20,548	78,329	—	78,329
Intersegment sales or transfers	197	721	624	880	2,424	(2,424)	—
Total	13,968	17,246	28,110	21,429	80,753	(2,424)	78,329
Segment profit or loss	(7)	762	2,100	2,711	5,567	—	5,567

Notes:

1. Adjusted sales amount refers to the elimination of intersegment transactions.
2. The total of segment profit or loss is consistent with operating income in the interim consolidated statements of income.

II. Six months ended September 30, 2026 (from April 1, 2026, to September 30, 2026)

Information on net sales and the amounts of profits or losses per reportable segment

(Millions of yen)

	Reportable segments					Adjusted sales amount (Note 1)	Amount recorded in the interim consolidated statements of income (Note 2)
	Wellness	Environmental Solutions	Electronic Materials	Industrial Infrastructure	Total		
Net sales							
Sales to unaffiliated customers	13,979	18,389	31,912	21,248	85,529	—	85,529
Intersegment sales or transfers	247	842	709	843	2,643	(2,643)	—
Total	14,226	19,231	32,622	22,091	88,172	(2,643)	85,529
Segment profit	46	1,737	2,413	2,355	6,552	—	6,552

Notes:

1. Adjusted sales amount refers to the elimination of intersegment transactions.
2. The total of segment profit is consistent with operating income in the interim consolidated statements of income